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151306Z Sep 05

UNCLAS LAGOS 001429

SIPDIS

DOE FOR DAS JBRODMAN AND CGAYE  
TREASURY FOR ASEVERENS AND SRENANDER  
DOC FOR KBURRESS  
STATE PASS TRANSPORTATION MARAD  
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ  
STATE PASS EX-IM FOR JRICHTER AND KVRANICH  
STATE PASS OPIC FOR ZHAN AND JEDWARDS  
STATE PASS TDA FOR NCABOT AND BTERNET

E.O. 12958: N/A

TAGS: [ELAB](#) [EPET](#) [KDEM](#) [PGOV](#) [NI](#)

SUBJECT: LAGOS LABOR UPDATE

REF: A) LAGOS 1428 B) LAGOS 1397 C) LAGOS 1377

1. Nigerian Labor Congress (NLC) and other civil society leaders are headed to Benin City today to speak with police authorities regarding security measures for the September 16 rally against fuel price increases. Organizers are mindful of the violent student disturbances in Benin in early September due to the price increase (ref C) and are attempting to make sure a repeat does not occur.

2. After meeting the Ministry of Labor yesterday September 14, John Awoniyi, Director of the Michael Imoudou Institute of Labor Studies (MIILS) said the GON would attempt to negotiate with Labor next week in order to head off the upcoming series of rallies. After Benin City, rallies are scheduled for Kano (Sept. 20), Yola (Sept. 22), Owerri (Sept. 26), Jos (Sept. 28), and Abuja (Sept. 30). These dates and places reflect major changes from those reported in ref B. With the return of President Obasanjo to Nigeria this weekend, both petroleum union leaders and government officials are sanguine about their ability to negotiate and end the rallies early.

3. According to Awoniyi, the GON is prepared to lower fuel prices by 1 or 2 naira per liter, even if - as labor leaders expect - prices will return to their current level soon thereafter. The GON will also stress the allotment of N200 billion in the 2006 budget to create a stabilization fund that will keep prices from escalating rapidly. Mantu Committee recommendations (ref B) call for an ideal price of 50 naira per liter with a 2 naira bandwidth on either side. Awoniyi reported the Minister of Labor wanted to use this figure as a benchmark. The GON, he said, will also remain firm in their expectation of a private sector solution for refinery problems.

4. Previous meetings between the GON and Labor have broken down because GON officials claimed they had no authority to adjust fuel prices. Awoniyi said the Minister of Labor expects authorization to lower prices by 1 to 2 naira once President Obasanjo returns from the U.N. and pending the course of negotiations. GON officials are expected to call for negotiations next week at the latest.

BROWNE